

DELIVER TO:
Dept of Administration
Info Tech & Comm Services
650 W State Street
Boise, ID 83702

Date: Tue Oct 28, 2008
F.O.B: Destination
Terms:

VENDOR:
ADVANCED SYSTEMS GROUP
225 N 9th ST STE 610
BOISE, ID 83702
Attn: Primary Customer Contact
Vendor Nbr: 29571
Emailed To: pmassey@virtual.com
Phone: 208 333-7044
Fax: 208 333-7063
Account Number: P00000026195

Start of Service Date Sat Nov 15, 2008
End of Service Date: Fri Feb 27, 2009
Solicitation#: [ITB02099](#)
DOC#: PREQ8260

File(s) Attached:
☒ ASGSecurityContract_renewal.doc

Buyer: [GREGORY LINDSTROM](#) 208-332-1609

Item No	Description	Quantity UOM	Unit Price	EXTENSION
000	BLANKET PURCHASE AGREEMENT (line item particulars follow)	1 lot		2.00
Total:				2.00
Blanket Comments:	<div>IT SECURITY RELATED PRODUCTS CONTRACT SBPO1212-01 EXTENSION</div> <div>This contract extension and the provisions hereof are hereby made part of that certain State of Idaho contract number SBPO1212-01, for IT SECURITY RELATED PRODUCTS dated JULY 21, 2006 for ALL ELIGIBLE POLITICAL SUBDIVISIONS OR PUBLIC AGENCIES, between ADVANCED SYSTEMS GROUP as "Contractor" and the State of Idaho as "State." Contractor and State hereby agree as follows:</div> <div>All of the terms and conditions contained in the Contract shall remain in full force and effect, except as expressly modified herein. The effective date of this extension is NOVEMBER 15, 2008.</div> <div>This contract is extended for NINETY (90) DAYS commencing NOVEMBER 15, 2008 and expiring FEBRUARY 27, 2009. The same terms, conditions and prices prevail for the contract extension period.</div> <div>The dollar amount listed in the contract extension pricing is an estimate and cannot be guaranteed. The actual dollar amount of the contract may be more or less depending on the actual orders, requirements, or tasks given to the Contractor by the State or may be dependent upon the specific terms of the Contract.</div> <div>SIGNED AND DATED ACCEPTANCE LETTER FROM ADVANCED SYSTEMS GROUP ON FILE AT THE DIVISION OF PURCHASING</div>			
Item No	Description	Quantity UOM	Unit Price	EXTENSION
001	IT Security Related Products: Pricing will be posted on State Web State. (208-90) (nt)	1 LT	1.00	1.00
Item 001 Attached Files	<div><input checked="" type="radio"/> Product.doc</div>			
002	2008-2009 Extension of IT Security Related products (11/15/08-2/27/09) (208-90) (nt)	1 LOT	1.00	1.00
General Comments:NOTICE OF STATEWIDE CONTRACT (SBPO) AWARD			

Contract for Security Related Products for the benefit of State of Idaho Agencies, institutions, and departments and eligible political subdivisions or public agencies as defined by Idaho Code, Section 67-2327. The Division of Purchasing or the requisitioning agency will issue individual releases (delivery or purchase orders) against this Contract on an as needed basis for a period of two (2) years commencing November 15, 2004 and ending November 14, 2006, with the option to renew for two (2) additional one (1) year periods.

Contract Title:.....Security Related Products

Contract Usage Type:.....Mandatory Use

Public Agency Clause:Yes

Contract Administration:....Mark Little

---Phone Number:.....208-327-7465

---E-Mail:.....mark.little@adm.state.id.us

Contractor's Primary Contact

---Attn:.....Pamela Massey or Grant Loveridge

---Address:.....225 North 9th Street, Suite 810

---City, State, Zip:.....Boise Idaho 83702

Phone Number:.....208/ 333-7044

Toll Free Number.....800/ 894-3619

Fax Number:.....888/ 821-3212

E-Mail:.....pmassey@virtual.com or gloveridge@virtual.com

CONTRACTOR: Ship to the FOB DESTINATION point and BILL DIRECTLY to the ORDERING AGENCY. DO NOT MAIL INVOICES TO THE DIVISION OF PURCHASING. Notating the Contract Award Number on any invoices/statement will facilitate the efficient processing of payment.

QUANTITIES: The State of Idaho, Division of Purchasing can only give approximations of quantities and will not be held responsible for figures given in this document.

Order Placement Address:

---Company Name:.....Advanced Systems Group.

---Attn:.....Pamela Massey or Grant Loveridge

---Address:.....225 North 9th Street, Suite 610

---City, State, Zip:.....Boise Idaho 83702

Phone Number:.....208/ 333-7044

Toll Free Number.....800/ 894-3619

Fax Number:.....888/ 821-3212

E-Mail:.....pmassey@virtual.com or gloveridge@virtual.com

Payment Address:

---Company Name:..... Advanced Systems Group

---Address:.....225 North 9th Street, Suite 610

---City, State, Zip:.....Boise Idaho 83702

THIS CONTRACT, (including any files attached), CONSTITUTES THE STATE OF IDAHO'S ACCEPTANCE OF YOUR SIGNED BID, QUOTATION, OR OFFER (including any electronic bid submission), WHICH SUBMISSION IS INCORPORATED HEREIN BY REFERENCE AS THOUGH SET FORTH IN FULL.

	<p>In the event of any inconsistency, unless otherwise provided herein, such inconsistency shall be resolved by giving precedence in the following order:</p> <p>1. This Statewide Blanket Purchase Order document.</p> <p>2. The state of Idaho's original solicitation document.</p> <p>3. The Contractor's signed bid, quotation, or offer.</p> <p>INVOICES MUST BE SENT TO THE IDAHO ORDERING AGENCY.</p>
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Instructions:	
Freight / Handling Included in Price	
	By: GREGORY D. LINDSTROM



ADVANCED SYSTEMS GROUP
Technology for the Speed of Change™

Denver Salt Lake City Boise Phoenix San Diego Los Angeles Portland Houston

Advanced Systems Group
225 North 9th Street, Suite 610
Boise, ID 83702
Tel: (208) 333-7044
Fax: (208) 333-7063
Web: www.virtual.com

June 15, 2006

Mr. Mark Little
Director of Purchasing
State of Idaho
5569 Kendall St.
Boise, ID
208-332-1611
Mark.little@adm.idaho.gov

Reference: State of Idaho Security Contract – Renewal Change Request
PO SBP01212 ITB02099 PREQ8260

Original Bid Award Link:

https://basec.sicomm.net/u04/poMAILERS/A00000000011/44995_IF2005001212.html

Dear Mark,

As you know, ASG was awarded the State of Idaho Security Contract two years ago through a competitive bid process. There are a few changes we'd like to request for the current two-year renewal. This is based on the need for agencies to improve their security solutions to keep up with increasing threats, spam attacks and intrusions. We have pre-negotiated special pricing with each of the proposed vendors to ensure that the State would receive the best price possible. The pricing is significantly better than street pricing.

Below is an outline of our proposed changes, along with a justification for the changes.

1. **BlueCoat** - BlueCoat is a web proxy box that provides web filtering and many other proxy functions on a single appliance. BlueCoat is, far and away, the #1 web proxy solution provider in the market today. Many agencies have already purchased this product from us including: Legislative Services, PHD5, PHD7, Kootenai County and Tax Commission. Several other agencies are looking to purchase Bluecoat in the next two years including the Department of Administration.

Special Pricing – BlueCoat has offered to give the State of Idaho an additional 10% discount on hardware and special “per seat” pricing on URL filtering for two years. This is above and beyond our existing 30% Platinum Reseller discount



that we already have with BlueCoat as an elite reseller. This is well above current market pricing and would benefit the State tremendously.

2. **High Tower** – High Tower is Security Management Software that enables the central management of dissimilar security devices. Many agencies have tested this product and would like to purchase it. We have attached letters requesting us to include High Tower on the State Contract from the following entities: City of Boise, Labor and Commerce and the Tax Commission.

Special Pricing – High Tower has provided ASG with special pricing for the State of Idaho. Professional Services pricing is in accordance with the State of Idaho contracted daily rate for the next two years. High Tower has provided pricing that is 10% better than the State would receive if the product was not on the State contract.

3. **RSA Security** – The State of Idaho purchased 250 seats of RSA Security (ACE Server and KeyFob Tokens) for the ISIMS Project two years ago. RSA Security is the #1 Provider of two-factor authentication in the industry today. The ISIMS Project was abandoned, and the RSA products were transferred to the Tax Commission. The Tax Commission plans to put this into production in the next few months. Other agencies may also want to adopt RSA for two-factor authentication.

We are having many issues with the two-factor authentication vendors that are currently on the State contract. (i.e., shipping is taking 8-10 weeks for iKeys, CryptoCard is not an ideal solution for many agencies and they are shipped from Canada, we are not receiving any sales support from either vendor, etc.) The initial thought with these vendors is that they were less expensive and easily supported, but this has not been the case. The Department of Administration has requested that we add RSA Security as a replacement vendor for the non-performing vendors.

Special Pricing - RSA Security has agreed to waive the re-activation fee for the ACE Server that was decommissioned. This will be reactivated by the Tax Commission. RSA has agreed to pass an extra 10% discount to our distributor for the State of Idaho on orders over 100 units. (ACE Server Users or Token/Card Purchases) ASG is already a Platinum RSA Reseller with the highest RSA discount levels. It doesn't make sense to do special pricing on very small orders. ASG will go for even more aggressive pricing if a very large deal is presented.

4. **SurfControl** – SurfControl is a URL filtering software product. Many agencies in the State use this product because it has better reporting capabilities than the competitors. The following agencies have the software implemented: 1. Tax Commission, 2. City of Boise, 3. Kootenai County, 4. US Courts, etc. We need



to have two options for web-filtering on the contract to get the State the most competitive pricing. Our proposal requests both SurfControl and BlueCoat URL filtering.

Special Pricing - SurfControl has agreed to start pricing at the 2000 – 5000 seat band (per seat), even though the State is not at this level yet. Special pricing is on the attached spreadsheet. This is very aggressive pricing based on what our local corporate customers are receiving. In addition, if an agency is using a competitive product and the agency would like to switch to SurfControl, SurfControl will give the upgrade licenses away for free and only charge for maintenance. ASG is a Platinum SurfControl Reseller.

5. **Professional Services Daily Rate** – Our initial two-year contract had a fixed daily rate of \$1600 per day (including all travel expenses). ASG is requesting an **increase of \$200 per day** to cover increasing travel expenses (airfare, hotel, rental cars, etc.) ASG will not be making any additional profit on these services. This is only to be used to cover the increasing travel expenses that we are absorbing in our daily rate. Every agency that has used our Professional Services has been very happy with our engineers and service. It has worked out very well to bring in expert installers when there is a request. (Fish and Game, Ada County, Transportation Department, ISU, etc.) We are also spending a good deal of time writing Statement's of Work (SOW's) for these engagements. This ends up being a "pass-through" service for ASG. An uplift fee for weekend and evening installs will continue, as per our original contract.
6. **F5 SSL** - F5 and Juniper lead the SSL space in Gartner's SSL Annual Report. These products are basically interchangeable from a feature/function standpoint. We are not aware of any of the agencies deploying SSL for remote access yet. We do expect the demand for these devices to increase in the next two years. Currently, there is only a Checkpoint SSL product on the contract and that product is a few years behind from a technical standpoint. Therefore, we recommend that the State add a product that is a leader in this space. Our recommendation is F5 SSL.

Special Pricing – F5 has offered to give the State a 34% discount (ASG cost) on SSL products. ASG is a Platinum F5 Reseller. Additionally, ASG has an F5 certified engineer on-staff to assist with any pre-sales or post-sales questions.

Juniper is another strong player in this space. Juniper was only willing to give us 19% discount for the State contract. ASG did not feel that this pricing was a good deal for the State, so we are recommending F5 instead. The products are basically interchangeable.

Tipping Point - Tipping Point is the market leader in intrusion detection. They have a full range of appliances for intrusion detection. Gartner rates Tipping



Point in the far right quadrant for intrusion solutions. We were selling Intrusion.com on the State contract, however, they are not really in business anymore in this space. Therefore, we would like to replace this product category with Tipping Point. 3Com recently acquired Tipping Point and account coverage in Idaho is excellent.

Special Pricing – ASG gets 20% off on Tipping Point appliances. 3Com/Tipping Point have agreed to give us an extra 5% for the State of Idaho. So, we will get 25% off for the State contract. This is excellent because they have not had to give additional discounts being they are the market leader in this space.

Summary

Current Products on the State Contract:

Checkpoint

Nokia

Safenet (iKeys)

CryptoCard

Intrusion.com (not an active vendor)

\$1600 Daily Rate – Professional Services

Proposed Products on the State Contract for Current Two Year Renewal:

Checkpoint

Nokia

RSA Security

Safenet (iKeys)

Cryptocard

F5 SSL

High Tower (Security Management)

BlueCoat (Appliances and URL Filtering)

SurfControl (URL Filtering)

\$1800 Daily Rate – Professional Services



Updated Security Website for the State of Idaho (developed and maintained by ASG)

<http://www.virtual.com/DITCS>

ASG will add the new vendors and the price lists to this website immediately, after the State approves the changes.

Proposal Request Agreement Signatures:

Idaho Department of Administration
(Kevin Iwersen, Statewide CyberSecurity
Coordinator) Kevin.iwersen@adm.idaho.gov

Advanced Systems Group
(Pamela Massey, Sales Executive)
pmassey@virtual.com

Signature of Authorized Signatory _____

Printed Name of Authorized Signatory _____

Title _____

Signature of Authorized Signatory _____

Printed Name of Authorized Signatory _____

Title _____

Idaho Department of Purchasing
(Mark Little, Director of Purchasing, State of
Idaho) mark.little@adm.idaho.gov

Signature of Authorized Signatory _____

Printed Name of Authorized Signatory _____

Title _____